



News From:
U.S. Congressman John B. Larson
serving Connecticut's First District
808 Longworth House Office Building
Washington, DC 20515
221 Main Street, 3rd Floor
Hartford, CT 06108

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LARSON SIGNS PETITIONS TO FORCE ACTION ON CORPORATE RESPONSIBILITY LEGISLATION

WASHINGTON, D.C.- U.S. Congressman John B. Larson (CT-01) today signed his name to two "discharge petitions" designed to force the Republican leadership in the House of Representatives to bring corporate accountability legislation to the floor for a vote. The petitions would bring the Comprehensive Investor Protection Act (H.R. 3818) and the Corporate and Criminal Fraud Accountability Act (H.R. 4098) to the floor. A discharge petition is a rare maneuver used to bypass House leadership and bring legislation up for a vote by gaining the signatures of the majority of House members. The discharge petitions are part of an effort to ensure that corporate responsibility legislation, which is being blocked by the Republican leadership in the House, is taken up in Congress.

Larson stated: "The Republican leadership in the House is the last obstacle in the fight to enact significant corporate accountability and accounting reform legislation. These bills match the tough legislation proposed by Sen. Paul Sarbanes, which was passed unanimously in the Senate. This legislation is a critical step in instituting real protections for investors and employees as well as restoring public confidence in the stock market."

H.R. 3818 would implement auditor independence requirements, including a prohibition against non-audit services for audit clients and improper influence

exerted upon the conduct of audits. It would also establish the Public Accounting Regulatory Board overseen by the SEC to establish audit quality standards, review public accounting firms and individual audits, conduct disciplinary and investigation proceedings and suspend or revoke registration for noncompliance. It would also mandate that audit records be preserved for seven years and establishes liability for aiding and abetting securities violations

H.R. 4098 would set penalties for destroying, altering, or falsifying records in Federal investigations or in bankruptcies, for the failure of an accountant who conducts an audit to maintain all documents sent, received, or created in connection with the audit for a five year period. It also directs the United States Sentencing Commission to review the Federal sentencing guidelines for obstruction of justice, and for fraud when the number of victims involved is significantly greater than 50 or when it endangers the solvency or financial security of multiple victims.

It also authorizes a civil action to protect whistle-blowing employees against retaliation in fraud cases involving publicly traded companies. It also mandates the creation of a Retirement Security Fraud Bureau and protects whistleblowers against retaliation in fraud cases.

Previously, Larson had signed a discharge petition to bring the Corporate Patriot Enforcement Act of 2002 (H.R. 3884) to the floor for a vote. The legislation would prevent corporations from avoiding income taxes by reincorporating in a foreign country.